

Second Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 20-1320.02 Jerry Barry x4341

HOUSE BILL 20-1424

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HOUSE SPONSORSHIP

Coleman,

SENATE SPONSORSHIP

(None),

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House Committees  
Finance

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING SOCIAL EQUITY LICENSEES IN REGULATED MARIJUANA.

Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

In the "Colorado Marijuana Code", the bill changes the term "accelerator licensee" to "social equity licensee" and alters the qualifications. A social equity licensee may participate in the accelerator program on the premises of a retail marijuana licensee whereby the social equity licensee receives assistance from an experienced retail marijuana licensee. The bill expands the accelerator program to include a retail marijuana store licensee. A retail marijuana licensee participating in the accelerator program and a social equity licensee may be entitled to

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

incentives from the department of revenue or the office of economic development and international trade.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 44-10-103, **amend**  
3 (1), (2), and (4); **repeal** (3); and **add** (4.5) and (68.5) as follows:

4 **44-10-103. Definitions.** As used in this article 10, unless the  
5 context otherwise requires:

6 (1) "Accelerator cultivator" means a ~~person~~ SOCIAL EQUITY  
7 LICENSEE qualified for an accelerator license, licensed to cultivate TO  
8 PARTICIPATE IN THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO  
9 THIS ARTICLE 10 AND AUTHORIZED PURSUANT TO RULE TO EXERCISE THE  
10 PRIVILEGES OF A RETAIL MARIJUANA CULTIVATION FACILITY on the  
11 premises of a AN ACCELERATOR-ENDORSED retail marijuana cultivation  
12 facility licensee. and distribute retail marijuana to retail marijuana  
13 products manufacturers and retail marijuana stores.

14 (2) "Accelerator-endorsed licensee" means a retail marijuana  
15 cultivation facility licensee, or retail marijuana products manufacturer  
16 licensee, OR RETAIL MARIJUANA STORE who has, pursuant to rule, been  
17 endorsed to host and offer technical and capital support to an accelerator  
18 licensee operating on its premises A SOCIAL EQUITY LICENSEE PURSUANT  
19 TO THE REQUIREMENTS OF THE ACCELERATOR PROGRAM ESTABLISHED  
20 PURSUANT TO THIS ARTICLE 10.

21 (3) "Accelerator licensee" means a person who has resided in a  
22 census tract designated by the office of economic development and  
23 international trade as an opportunity zone for five of the ten years prior  
24 to application and has not been the beneficial owner of a license issued  
25 pursuant to this article 10.

1 (4) "Accelerator manufacturer" means a ~~person~~ SOCIAL EQUITY  
2 LICENSEE qualified ~~for an accelerator license, licensed to manufacture and~~  
3 ~~distribute retail marijuana concentrates and retail marijuana products~~ TO  
4 PARTICIPATE IN THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO  
5 THIS ARTICLE 10 AND AUTHORIZED PURSUANT TO RULE TO EXERCISE THE  
6 PRIVILEGES OF A RETAIL MARIJUANA PRODUCTS MANUFACTURER on the  
7 premises of an accelerator-endorsed RETAIL MARIJUANA PRODUCTS  
8 manufacturing licensee.

9 (4.5) "ACCELERATOR STORE" MEANS A SOCIAL EQUITY LICENSEE  
10 QUALIFIED TO PARTICIPATE IN THE ACCELERATOR PROGRAM ESTABLISHED  
11 PURSUANT TO THIS ARTICLE 10 AND AUTHORIZED PURSUANT TO RULE TO  
12 EXERCISE THE PRIVILEGES OF A RETAIL MARIJUANA STORE ON THE  
13 PREMISES OF AN ACCELERATOR-ENDORSED RETAIL MARIJUANA STORE  
14 LICENSEE.

15 (68.5) "SOCIAL EQUITY LICENSEE" MEANS A NATURAL PERSON WHO  
16 MEETS THE CRITERIA ESTABLISHED PURSUANT TO SECTION 44-10-308 (4).  
17 A PERSON QUALIFIED AS A SOCIAL EQUITY LICENSEE MAY PARTICIPATE IN  
18 THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE 10  
19 OR MAY HOLD A REGULATED MARIJUANA BUSINESS LICENSE OR PERMIT  
20 ISSUED PURSUANT TO THIS ARTICLE 10.

21 **SECTION 2.** In Colorado Revised Statutes, 44-10-104, **amend**  
22 (2)(a) as follows:

23 **44-10-104. Applicability - medical marijuana - retail**  
24 **marijuana.** (2) (a) A person applying for licensure pursuant to this  
25 article 10 must complete forms as provided by the state licensing  
26 authority and must pay the application fee and the licensing fee, which  
27 must be credited to the marijuana cash fund established pursuant to

1 section 44-10-801. The state licensing authority shall forward, within  
2 seven days, one-half of the retail marijuana business license application  
3 fee to the local jurisdiction unless the APPLICATION IS FOR AN  
4 ACCELERATOR CULTIVATOR, ACCELERATOR MANUFACTURER, OR  
5 ACCELERATOR STORE LICENSE OR UNLESS THE local jurisdiction has  
6 prohibited the operation of retail marijuana businesses pursuant to section  
7 16 (5)(f) of article XVIII of the state constitution. If the license is denied,  
8 the state licensing authority shall refund the licensing fee to the applicant.

9 **SECTION 3.** In Colorado Revised Statutes, 44-10-203, **amend**  
10 (1)(i), (1)(j), and (2)(aa); and **add** (1)(k) as follows:

11 **44-10-203. State licensing authority - rules. (1) Permissive**  
12 **rule-making.** Rules promulgated pursuant to section 44-10-202 (1)(c)  
13 may include but need not be limited to the following subjects:

14 (i) Marijuana research and development licenses, including  
15 application requirements; renewal requirements, including whether  
16 additional research projects may be added or considered; conditions for  
17 license revocation; security measures to ensure marijuana is not diverted  
18 to purposes other than research or diverted outside of the regulated  
19 marijuana market; the amount of plants, useable marijuana, marijuana  
20 concentrates, or marijuana products a licensee may have on its premises;  
21 licensee reporting requirements; the conditions under which marijuana  
22 possessed by medical marijuana licensees may be donated to marijuana  
23 research and development licensees or transferred to a nonmetric-based  
24 research facility; provisions to prevent contamination; requirements for  
25 destruction or transfer of marijuana after the research is concluded; and  
26 any additional requirements; ~~and~~

27 (j) ~~Such other matters as are necessary for the fair, impartial,~~

1 ~~stringent, and comprehensive administration of this article 10.~~ A  
2 DEFINITION FOR "DISPROPORTIONATE IMPACTED AREA" TO THE EXTENT  
3 RELEVANT STATE OF COLORADO DATA EXISTS, IS AVAILABLE, AND IS USED  
4 FOR THE PURPOSE OF DETERMINING ELIGIBILITY FOR A SOCIAL EQUITY  
5 LICENSEE; AND

6 (k) SUCH OTHER MATTERS AS ARE NECESSARY FOR THE FAIR,  
7 IMPARTIAL, STRINGENT, AND COMPREHENSIVE ADMINISTRATION OF THIS  
8 ARTICLE 10.

9 (2) **Mandatory rule-making.** Rules promulgated pursuant to  
10 section 44-10-202 (1)(c) must include but need not be limited to the  
11 following subjects:

12 (aa) The implementation of an accelerator program including but  
13 not limited to rules to establish ~~severed liability~~ REQUIREMENTS for  
14 SOCIAL EQUITY licensees operating on the same ~~physical~~ LICENSED  
15 premises OR ON SEPARATE PREMISES POSSESSED BY AN  
16 ACCELERATOR-ENDORSED LICENSEE. THE STATE LICENSING AUTHORITY'S  
17 RULES ESTABLISHING AN ACCELERATOR PROGRAM MAY INCLUDE  
18 REQUIREMENTS FOR ~~severed~~ custodianship of regulated MARIJUANA  
19 products, protections of the intellectual property of ~~the accelerator~~ A  
20 SOCIAL EQUITY licensee, incentives for ACCELERATOR ENDORSED  
21 licensees, ~~endorsed as accelerators~~, and additional requirements if a  
22 person applying for an accelerator endorsement has less than two years'  
23 experience operating a licensed facility ~~under this title 10~~ PURSUANT TO  
24 THIS ARTICLE 10. AN ACCELERATOR ENDORSED LICENSEE IS NOT REQUIRED  
25 TO EXERCISE THE PRIVILEGES OF ITS LICENSE ON THE PREMISES WHERE A  
26 SOCIAL EQUITY LICENSEE OPERATES. THE STATE LICENSING AUTHORITY'S  
27 IMPLEMENTATION OF AN ACCELERATOR PROGRAM IS EXTENDED FROM

1 JULY 1, 2020, TO JANUARY 1, 2021.

2 **SECTION 4.** In Colorado Revised Statutes, 44-10-307, **amend**  
3 (1)(g)(I) as follows:

4 **44-10-307. Persons prohibited as licensees - definition.** (1) A  
5 license provided by this article 10 shall not be issued to or held by:

6 (g) (I) A person who was convicted of a felony in the three years  
7 immediately preceding his or her application date or who is currently  
8 subject to a sentence for a felony conviction; except for ~~an accelerator~~  
9 ~~license~~ A PERSON APPLYING TO BE A SOCIAL EQUITY LICENSEE, a marijuana  
10 conviction ~~is~~ SHALL not BE the sole basis for license denial; or

11 **SECTION 5.** In Colorado Revised Statutes, 44-10-308, **add** (4)  
12 and (5) as follows:

13 **44-10-308. Business and owner requirements - legislative**  
14 **declaration - definition.** (4) EFFECTIVE JANUARY 1, 2021, A PERSON  
15 WHO QUALIFIES AS A SOCIAL EQUITY LICENSEE MAY APPLY FOR ANY  
16 REGULATED MARIJUANA BUSINESS LICENSE OR PERMIT, INCLUDING BUT  
17 NOT LIMITED TO ACCELERATOR STORE, ACCELERATOR CULTIVATOR, AND  
18 ACCELERATOR MANUFACTURER LICENSES, ISSUED PURSUANT TO THIS  
19 ARTICLE 10. A PERSON QUALIFIES AS A SOCIAL EQUITY LICENSEE IF SUCH  
20 PERSON MEETS THE FOLLOWING CRITERIA, IN ADDITION TO ANY CRITERIA  
21 ESTABLISHED BY RULE OF THE STATE LICENSING AUTHORITY:

22 (a) IS A COLORADO RESIDENT;

23 (b) HAS NOT BEEN THE BENEFICIAL OWNER OF A LICENSE SUBJECT  
24 TO DISCIPLINARY OR LEGAL ACTION FROM THE STATE RESULTING IN THE  
25 REVOCATION OF A LICENSE ISSUED PURSUANT TO THIS ARTICLE 10;

26 (c) HAS DEMONSTRATED AT LEAST ONE OF THE FOLLOWING:

27 (I) THE APPLICANT HAS RESIDED FOR AT LEAST FIFTEEN YEARS

1 BETWEEN THE YEARS 1980 AND 2010 IN A CENSUS TRACT DESIGNATED BY  
2 THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE AS  
3 AN OPPORTUNITY ZONE OR DESIGNATED AS A DISPROPORTIONATE  
4 IMPACTED AREA AS DEFINED BY RULE PURSUANT TO SECTION 44-10-203  
5 (1)(j);

6 (II) THE APPLICANT OR THE APPLICANT'S PARENT, LEGAL  
7 GUARDIAN, SIBLING, SPOUSE, CHILD, OR MINOR IN THEIR GUARDIANSHIP  
8 WAS ARRESTED FOR A MARIJUANA OFFENSE, CONVICTED OF A MARIJUANA  
9 OFFENSE, OR WAS SUBJECT TO CIVIL ASSET FORFEITURE RELATED TO A  
10 MARIJUANA INVESTIGATION; OR

11 (III) THE APPLICANT'S HOUSEHOLD INCOME IN THE YEAR PRIOR TO  
12 APPLICATION DID NOT EXCEED AN AMOUNT DETERMINED BY RULE OF THE  
13 STATE LICENSING AUTHORITY; AND

14 (d) THE SOCIAL EQUITY LICENSEE, OR COLLECTIVELY ONE OR MORE  
15 SOCIAL EQUITY LICENSEES, HOLDS AT LEAST FIFTY-ONE PERCENT OF THE  
16 BENEFICIAL OWNERSHIP OF THE REGULATED MARIJUANA BUSINESS  
17 LICENSE.

18 (5) A PERSON WHO MEETS THE CRITERIA IN THIS SECTION FOR A  
19 SOCIAL EQUITY LICENSEE, PURSUANT TO RULE AND AGENCY DISCRETION,  
20 MAY BE ELIGIBLE FOR INCENTIVES AVAILABLE THROUGH THE DEPARTMENT  
21 OF REVENUE OR OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL  
22 TRADE, INCLUDING BUT NOT LIMITED TO A REDUCTION IN APPLICATION OR  
23 LICENSE FEES.

24 **SECTION 6.** In Colorado Revised Statutes, 44-10-401, **amend**  
25 (2)(b)(VII), (2)(b)(VIII), (2)(b)(IX), (2)(b)(X), and (6); and **add**  
26 (2)(b)(XI) as follows:

27 **44-10-401. Classes of licenses.** (2) (b) The following are retail

1 marijuana licenses:

2 (VII) ~~Retail marijuana~~ Accelerator cultivator license;

3 (VIII) ~~Retail marijuana~~ Accelerator manufacturer license;

4 (IX) Marijuana hospitality business license; ~~and~~

5 (X) Retail marijuana hospitality and sales business license; AND

6 (XI) ACCELERATOR STORE LICENSE.

7 (6) For a person applying ~~for an accelerator license~~ TO BE A  
8 SOCIAL EQUITY LICENSEE, the state licensing authority shall not deny an  
9 application on the sole basis of the prior marijuana conviction of the  
10 applicant and at its discretion may waive other requirements.

11 **SECTION 7.** In Colorado Revised Statutes, 44-10-601, **add** (14),  
12 (15), and (16) as follows:

13 **44-10-601. Retail marijuana store license - rules - definitions.**

14 (14) AN ACCELERATOR STORE LICENSEE MAY OPERATE ON THE PREMISES  
15 OF A RETAIL MARIJUANA STORE LICENSEE IF BEFORE EACH ACCELERATOR  
16 STORE LICENSEE OPERATES, THE RETAIL MARIJUANA STORE LICENSEE HAS  
17 ITS PREMISES ENDORSED PURSUANT TO RULE AND EACH ACCELERATOR  
18 STORE LICENSEE IS APPROVED TO OPERATE ON THAT PREMISES.

19 (15) A RETAIL MARIJUANA STORE LICENSEE THAT HOSTS AN  
20 ACCELERATOR STORE LICENSEE MAY, PURSUANT TO RULE, PROVIDE  
21 TECHNICAL AND COMPLIANCE ASSISTANCE TO AN ACCELERATOR STORE  
22 LICENSEE OPERATING ON ITS PREMISES. A RETAIL MARIJUANA STORE  
23 LICENSEE THAT HOSTS AN ACCELERATOR STORE LICENSEE MAY, PURSUANT  
24 TO RULE, PROVIDE CAPITAL ASSISTANCE TO AN ACCELERATOR STORE  
25 LICENSEE OPERATING ON ITS PREMISES.

26 (16) A RETAIL MARIJUANA STORE, PURSUANT TO RULE AND THE  
27 STATE LICENSING AUTHORITY DISCRETION, MAY BE ELIGIBLE FOR

1 INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR THE  
2 OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE,  
3 INCLUDING BUT NOT LIMITED TO A REDUCTION IN APPLICATION OR LICENSE  
4 FEES.

5 **SECTION 8.** In Colorado Revised Statutes, 44-10-602, **amend**  
6 (9), (10), and (11) as follows:

7 **44-10-602. Retail marijuana cultivation facility license - rules**  
8 **- definitions.** (9) An accelerator cultivator licensee may operate on the  
9 premises of a retail marijuana cultivation facility licensee if before each  
10 accelerator CULTIVATOR licensee operates, the retail marijuana cultivation  
11 facility licensee has its premises endorsed pursuant to rule and each  
12 accelerator CULTIVATOR licensee is ~~licensed~~ APPROVED to operate on that  
13 premises.

14 (10) A retail marijuana cultivation facility licensee that hosts an  
15 accelerator CULTIVATOR licensee may, pursuant to rule, provide technical  
16 and compliance assistance to an accelerator CULTIVATOR licensee  
17 operating on its premises. A retail marijuana products manufacturer  
18 licensee that hosts an accelerator CULTIVATOR licensee may, pursuant to  
19 rule, provide capital assistance to an accelerator CULTIVATOR licensee  
20 operating on its premises.

21 (11) A retail marijuana cultivation facility licensee that hosts an  
22 accelerator CULTIVATOR licensee, pursuant to rule and ~~agency~~ THE STATE  
23 LICENSING AUTHORITY discretion, may be eligible for ~~reduction in license~~  
24 ~~fees or other~~ incentives available through the department of revenue or  
25 the office of economic development and international trade, INCLUDING  
26 BUT NOT LIMITED TO A REDUCTION IN APPLICATION OR LICENSE FEES.

27 **SECTION 9.** In Colorado Revised Statutes, 44-10-603, **amend**

1 (2)(c), (13), and (14) as follows:

2 **44-10-603. Retail marijuana products manufacturer license -**

3 **rules - definition.** (2) Retail marijuana products must be prepared on a  
4 licensed premises that is used exclusively for the manufacture and  
5 preparation of retail marijuana or retail marijuana products and using  
6 equipment that is used exclusively for the manufacture and preparation  
7 of retail marijuana products; except that, if permitted by the local  
8 jurisdiction and subject to rules of the state licensing authority, a retail  
9 marijuana products manufacturer licensee may share the same premises  
10 as a:

11 (c) Accelerator manufacturer licensee if the retail marijuana  
12 products manufacturer has its premises endorsed pursuant to rule before  
13 each accelerator manufacturer licensee operates and each accelerator  
14 MANUFACTURER licensee is ~~licensed~~ APPROVED to operate on that  
15 premises.

16 (13) A retail marijuana products manufacturer licensee that hosts  
17 an accelerator manufacturer licensee may, pursuant to rule, provide  
18 technical and compliance assistance to an accelerator MANUFACTURER  
19 licensee operating on its premises. A retail marijuana products  
20 manufacturer licensee that hosts an accelerator MANUFACTURER licensee  
21 may, pursuant to rule, provide capital assistance to an accelerator  
22 MANUFACTURER licensee operating on its premises.

23 (14) A retail marijuana products manufacturer licensee, pursuant  
24 to rule and ~~agency~~ THE STATE LICENSING AUTHORITY discretion, may be  
25 eligible for ~~reduction in license fees and for grants~~ INCENTIVES through  
26 THE DEPARTMENT OF REVENUE OR the office of economic development  
27 and international trade, INCLUDING BUT NOT LIMITED TO A REDUCTION IN

1 APPLICATION OR LICENSE FEES.

2 **SECTION 10.** In Colorado Revised Statutes, **amend** 44-10-607  
3 as follows:

4 **44-10-607. Retail marijuana accelerator cultivator license.**

5 (1) A retail marijuana accelerator cultivator license may be issued to a  
6 ~~person SOCIAL EQUITY LICENSEE to operate a cultivation operation on the~~  
7 ~~site of a retail marijuana cultivation facility with an accelerator~~  
8 ~~endorsement~~ EXERCISE THE PRIVILEGES OF A RETAIL MARIJUANA  
9 CULTIVATION FACILITY LICENSEE ON THE PREMISES OF AN  
10 ACCELERATOR-ENDORSED RETAIL MARIJUANA CULTIVATION FACILITY. The  
11 retail marijuana accelerator cultivator may receive technical assistance  
12 and financial support from the retail marijuana cultivation facility  
13 licensee with an accelerator endorsement.

14 (2) The state licensing authority shall begin accepting applications  
15 for retail marijuana accelerator cultivator licenses on ~~July 1, 2020~~  
16 JANUARY 1, 2021.

17 **SECTION 11.** In Colorado Revised Statutes, **amend** 44-10-608  
18 as follows:

19 **44-10-608. Retail marijuana accelerator manufacturer license.**

20 (1) A retail marijuana accelerator manufacturer license may be issued to  
21 a ~~person SOCIAL EQUITY LICENSEE to operate a retail marijuana products~~  
22 ~~manufacturing operation on the site of a retail marijuana products~~  
23 ~~manufacturing facility with an accelerator endorsement~~ EXERCISE THE  
24 PRIVILEGES OF A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE  
25 ON THE PREMISES OF AN ACCELERATOR-ENDORSED RETAIL MARIJUANA  
26 PRODUCTS MANUFACTURER. The retail marijuana accelerator  
27 manufacturer may receive technical assistance and financial support from

1 the retail marijuana products manufacturer with an accelerator  
2 endorsement.

3 (2) The state licensing authority shall begin accepting applications  
4 for retail marijuana accelerator manufacturer licenses on ~~July 1, 2020~~  
5 JANUARY 1, 2021.

6 **SECTION 12.** In Colorado Revised Statutes, **add** 44-10-611 as  
7 follows:

8 **44-10-611. Retail marijuana accelerator store license.** (1) A  
9 RETAIL MARIJUANA ACCELERATOR STORE LICENSE MAY BE ISSUED TO A  
10 SOCIAL EQUITY LICENSEE TO EXERCISE THE PRIVILEGES OF A RETAIL  
11 MARIJUANA STORE LICENSEE ON THE PREMISES OF AN  
12 ACCELERATOR-ENDORSED RETAIL MARIJUANA STORE. THE RETAIL  
13 MARIJUANA ACCELERATOR STORE MAY RECEIVE TECHNICAL ASSISTANCE  
14 AND FINANCIAL SUPPORT FROM THE RETAIL MARIJUANA STORE WITH AN  
15 ACCELERATOR ENDORSEMENT.

16 (2) THE STATE LICENSING AUTHORITY SHALL BEGIN ACCEPTING  
17 APPLICATIONS FOR RETAIL MARIJUANA ACCELERATOR STORE LICENSES ON  
18 JANUARY 1, 2021.

19 **SECTION 13. Act subject to petition - effective date.** This act  
20 takes effect at 12:01 a.m. on the day following the expiration of the  
21 ninety-day period after final adjournment of the general assembly; except  
22 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
23 of the state constitution against this act or an item, section, or part of this  
24 act within such period, then the act, item, section, or part will not take  
25 effect unless approved by the people at the general election to be held in  
26 November 2022 and, in such case, will take effect on the date of the  
27 official declaration of the vote thereon by the governor.